

Lawmakers Who Created the Wine and Grape Foundation Ask for its Continued Funding

Washington, DC -- Congresswomen Louise Slaughter (NY-28), and Congressmen Maurice Hinchey (NY-22) and Paul Tonko (NY-21) today wrote to Governor Cuomo to ask that he reinstate dedicated funding for the New York Wine and Grape Foundation in next year's state budget.

In 1985, Slaughter, Hinchey and Tonko sponsored legislation that created the New York Wine and Grape Foundation which helps local wineries find new markets for New York's wines and grapes. Today the Foundation continues its mission of research, promotion and education.

Together the Upstate Members wrote,

"The grape and wine industry was a small, struggling, regional industry when we created the Foundation. Today it is the fastest growing industry in the agricultural and tourism sectors with more than 300 wineries located in 50 of our State's 62 counties. The Foundation is an invaluable public-partnership that has paid, and continues to pay huge dividends to the State in terms of new businesses, new jobs, increased tourism, and more than \$230 million annually in State and local taxes."

A full copy of their letter is included below.

"We greatly appreciate Representatives Slaughter, Hinchey and Tonko's continuing support, and their vision that helped create the New York Wine & Grape Foundation some 25 years ago. They co-sponsored the Foundation legislation as a public-private partnership to bolster an industry that was then economically depressed but now generates over \$3.7 billion annually for the State economy and has been a major boon to the Finger Lakes region," said Jim Trezise, President, New York Wine & Grape Foundation. "Our ability to contribute even more depends on the continuation of that productive partnership."

While the Foundation requested \$3 million in State funding based on past allocations, this year they are asking to maintain \$1 million citing it as an important return on investment for New York taxpayers.

According to an independent study by Stonebridge Research, a Napa Valley wine economics firm, the \$2.8 million in funding from the 2008 budget helped the Foundation assist the wine and

grape industry contribute \$3.76 billion in economic benefits to New York State. Without adequate funding of the Foundation, it is at risk of ceasing operations by the end of June, jeopardizing the wine and grape industry as well as our state's economy.

A full copy of their letter is included below.

March 1, 2011

The Honorable Andrew M. Cuomo
Governor of New York State
New York State Capitol Building
Albany, New York 12224

Dear Governor Cuomo:

We are writing to respectfully request that you consider restoring \$1 million in dedicated funding for the New York Wine & Grape Foundation in your budget proposal and the final State budget. We sponsored the 1985 legislation which created the Foundation when it passed both chambers unanimously, and was signed into law by former Governor Mario M. Cuomo. We are proud of how the Foundation has become an engine of economic development for the State of New York, and we wish for that to continue.

We are fully aware that as Governor you are facing a daunting fiscal situation requiring difficult decisions. However, as you continue to work on next year's budget it is imperative that critical and proven organizations like the Foundation are supported in order to revive the New York State economy. Our state is largely defined by its agricultural and tourism industries. The research and support that the Foundation provides to our unique grape and wine industries is indispensable not only to our financial backbone, but to the character and culture of our small businesses and industries.

The grape and wine industry was a small, struggling, regional industry when we created the Foundation. Today it is the fastest growing industry in the agricultural and tourism sectors with more than 300 wineries located in 50 of our State's 62 counties. The Foundation is an invaluable public-partnership that has paid, and continues to pay huge dividends to the State in terms of new businesses, new jobs, increased tourism, and more than \$230 million annually in State and local taxes. Wine is the only farm commodity subject to sales and excise taxes, which were increased by 50 percent in 2009. Thanks to dedicated state funding in 2008, the Foundation was able to assist the wine and grape industry in creating \$3.76 billion in economic benefits, according to an independent study by Stonebridge Research, a Napa Valley wine economics firm. It is imperative that this growing industry is not stifled by budget cuts, but nurtured with targeted funding.

In the past two years, State funding for the Foundation has been cut by 75 percent from \$2.8 million in fiscal years 2008-2009 to \$713,000 in fiscal years 2010-2011. These funds are matched by the private sector in order to provide for promotion and research programs benefiting the entire state. The Foundation's formal budget request is \$3 million in State funding, a level that had been achieved in the past and is negligible in light of the industry's economic impact and revenue generation. Dedicated funding of \$1 million in FY 2011-2012 will allow the Foundation to fulfill its critical role in the industry. Without State funding, the Foundation is likely to cease operations by the end of June. This would be a major loss to the grape and wine industry as well as the State.

We believe that the Foundation is an effective and reliable contributor to the New York State economy, and we are confident that its absence in next year's budget would severely impact farms, wineries and distributors, and our state's colleges and universities which rely on this funding. Again, we respectfully request that you consider restoring dedicated funding for the Foundation in order to protect our state's valuable economic resources. We thank you in advance for consideration of this request.

Sincerely,

Congresswoman Louise Slaughter (NY-28)
Congressman Maurice Hinchey (NY-22)
Congressman Paul Tonko (NY-21)

cc:Darrel Aubertine, New York State Agriculture & Markets Acting Commissioner
John A. DeFrancisco, New York State Senate
Patty Ritchie, New York State Senate

Dean G. Skelos, New York State Senate
David J. Valesky, New York State Senate
William Magee, New York State Assembly
Joseph D. Morelle, New York State Assembly
Robin Schimminger, New York State Assembly
Sheldon Silver, New York State Assembly

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